

25 YEAR RE-REVIEW

**SECRET**

9 APR 1964

SSA REGISTRY

FILE 04 M-11

**MEMORANDUM FOR:** Chief, Support Staff, Eastern Europe Division

**SUBJECT:** Streamlining FPA Procedures

**REFERENCE:** Memorandum to Deputy Director of Finance, from Chief, Support Staff, EE Division, dated 24 March 1964, same subject

1. Paragraph 3 of reference recommended that, as a modification of present practice, the Logistics element in [ ] be authorized to accumulate certain data for transmittal to Finance by either a periodic report or a consolidated voucher rather than having the Finance FPA Officer post individual vouchers.

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2. This suggested change in practice is entirely satisfactory with this Office. The practice is consistent with generally accepted accounting principles and the summary technique is commonly used by some field stations in recording financial transactions. Whether the use of a summary technique by either the Logistics Officer or by the Finance Officer will be advantageous in a particular location is dependant in part on the volume of transactions of a similar nature and the techniques used for accomplishing the summarization. The determination of the particular procedure to be observed in this respect should be made locally. Any procedure followed must provide a direct trail between transactions as recorded in the financial property records with the same transactions as recorded on the stock record cards; it does not matter in this connection whether the basic documentation for the property transactions are recorded individually in the financial property journal or in summary form. In view of the suggestion from [ ] we shall make an appropriate change in the revision of [ ] which is now in coordination to make it clear that a summary posting technique may be observed at the option of any station.

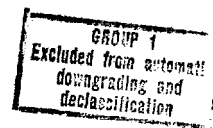
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3. Reference also listed seven dispatches representing an exchange of correspondence between the [ ] Station and Headquarters on prior recommendations for streamlining the existing FPA procedures. For your information, the principal proposals heretofore made by [ ] and the status of Headquarters action thereon are summarized below:

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- a. (1) Proposal - That all expendable and nonexpendable material having a unit value of \$50 or less be excluded from the FPA system except those items which by regulation require special Headquarters approval for issue (see [redacted]).

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- (2) Headquarters Action - By dispatch GC 64-005, dated 9 January 1964, KUCIUS stations at [redacted] were authorized on a pilot basis to cost all expendable property upon receipt. This pilot change in procedure was premised on a fact situation at those stations where only a relatively small dollar volume of expendables was being issued to projects or activities not under a local KUCIUS area cost center; thus the change in concept affects principally the timing of the cost charge, and assuring a reasonably level inventory policy once the change in procedure becomes fully effective, the annual charges to the cost centers involved ordinarily would be approximately the same as under the previous procedures. Also, the pilot procedure required that all property for which financial accountability was dropped would continue to be controlled through the use of informal stock records until the items are actually issued; provision also was made that issues in excess of \$100 per requisition to a project or activity other than that charged for the initial write-off of the property would be recharged to the cost center of the using project or activity; this would be accomplished by reversing the initial cost charge (transaction 61X - current year) and charging the new cost center (transaction 61). It is contemplated after a reasonable period of time that an evaluation will be made of operations under the foregoing authorization to determine whether or not the practice should be continued or modified at the named KUCIUS locations, and whether or not the practice or some modification thereof should be extended to other KUCIUS installations or to installations accountable for [redacted] and general types of property.

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- b. (1) Proposal - That all stations under Class A Accounting and Reporting Procedures be designated as Type I FPA installations (see [redacted]).

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- (2) Headquarters Action - This proposal was rejected in dispatch [redacted] on the grounds that the criteria used in determining whether a station is designated as Class A or as Class B for accounting and reporting purposes are basically unrelated to the criteria used in determining whether a station is designated as Type I or Type II for property accountability purposes.

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c. (1) Proposal - That postings in the property journal record by materiel units be eliminated (see [redacted]).

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(2) Headquarters Action - This proposal was accepted and the [redacted] Station was authorized to adopt the revised procedure upon receipt of dispatch [redacted]. This proposal has been incorporated into a revision of RMB 30-3 which is currently in coordination at Headquarters.

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d. (1) Proposal - That an alternative system for control of materiel-in-transit be adopted whereunder periodic listings of unacknowledged shipments to stations would be forwarded to the stations for follow-up action with the accounting control to be maintained at Headquarters (see [redacted]).

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(2) Headquarters Action - The [redacted] Station was notified in [redacted] 4113 that additional time should be allowed to improve operations under the present procedure before making any determination that the basic concept of the present in-transit procedure should be changed. Based on a current evaluation of this procedure it is our present viewpoint that it provides the most effective means of controlling in-transit shipments because of built-in cross checks by the Station Logistics and Finance Officers on the shipments made and received. The current procedure conforms with conventional practices for verifying in-transit transactions as it is designed to provide complete data at the consignee location to verify the receipt of all property shipped. Continuing effort is being made to improve the control over document flow from Logistics to Finance and the field stations to eliminate deficiencies which have occurred in the operation of the procedure.

e. (1) Proposal - That the posting journal be revised to provide additional columns for accounts frequently used in order to reduce postings in the column provided for miscellaneous accounts (see [redacted]).

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(2) Headquarters Action - The [redacted] Station was informed in dispatch [redacted] that this proposal was acceptable and it is being implemented by a revision of [redacted] which is currently in coordination at Headquarters.

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4. It is suggested that a copy of this memorandum and copies of the seven dispatches cited in reference be transmitted to [redacted] Station Comptroller for background information on such of these matters as may be discussed at the coming Conference. We assume you will communicate the substance of paragraph 2, above, to [redacted].

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Distribution:

- O&I - Addressee
- 1 - Signer's Copy
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PSS/LJM/bjm(3 April 1964)

[redacted]  
Acting Director of Finance

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REPORT

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		INITIALS	DATE	
1	SSA-DD/S 7D-18 Headquarters		<i>me</i>	4/6	
2	<div style="background-color: black; width: 150px; height: 20px;"></div>				
3					
4					
5	<i>file</i>				
6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks:					
<p>1-2 - you may want to make a picture of this to take along on your trip, since this subject is almost certain to come up for discussion at the conference. I would suggest that you show your copy of this to Mr. <div style="background-color: black; width: 100px; height: 15px;"></div> (controller) to assure that his answers agree with this.</p>					
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